

# Preface

In the late 1800s and early 1900s, much of the transfer of wealth came in the form of inheritance. Today, inter vivos expenditures for a good education are considered even more important than intergenerational transfers at death. Medical and technical developments continue to increase the probability of a lengthy life, creating greater wealth for parents and grandparents in later years. Skyrocketing tuition costs, coupled with the desired benefits of obtaining a good education (including K–12, undergraduate, and graduate degrees), have many American families scrambling to figure out how to finance these expenditures.

This book, focusing on 529 plans and comparing and contrasting them with other education techniques, will prove to be a great resource for a broad audience, ranging from the general practitioner to the estate tax specialist. Estate planners, tax lawyers, accountants, financial planners, trust officers, and financial aid administrators may also find the material contained herein invaluable. The purpose of this book, which is comprised of five parts and 19 chapters, is to (1) identify the need to develop strategies for financing K–12, college, graduate, or professional education, (2) detail the rules by which these goals may be accomplished, and (3) integrate education planning into one’s comprehensive paradigm for financial, tax, retirement, and estate planning. While the text focuses on Section 529 plans, it also provides the planner with a thorough introduction to all the other education savings vehicles that are available. In addition, the text addresses strategies for financing education when savings prove inadequate. Important financial aid planning advice is also provided.

This book incorporates relevant material from the *Consolidated Appropriations Act of 2021*; the *Coronavirus Aid, Relief, and Economic Security Act of 2020*; the *Setting Every Community Up for Retirement Enhancement Act of 2019*; the *Tax Cuts and Jobs Act of 2017*; the *Stephen Beck Jr., Achieving a Better Life Experience (ABLE) Act of 2014*; the *Protecting Americans from Tax Hikes Act of 2015*; the *Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*; the *Deficit Reduction Omnibus Reconciliation Act of 2005*; the *Higher Education Reconciliation Act of 2005*; the *Tax Increase Prevention and Reconciliation Act of 2005*; the *Pension Protection Act of 2006*; the *Tax Relief and Health Care Act of 2006*; the *Small Business and Work*

*Opportunity Tax Act of 2007; the College Cost Reduction and Access Act of 2007; the Higher Education Act of 2008; the Housing Assistance Tax Act of 2008; the Emergency Economic Stabilization Act of 2008; and the American Recovery and Reinvestment Act of 2009.*<sup>1</sup>

*Italicized* throughout the text of this book are terms that we define in the Glossary at the end of this book. Appendices contain various materials—acronyms, abbreviations, statutes, forms, and other resources—to assist the planner. Interspersed throughout the text are **PLANNING POINTERS**, which address some of the critical planning issues that arise in the education planning context.

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1. For cites to these statutes, see “Acts” in the Glossary section at the end of this book.